UNIFI AIF

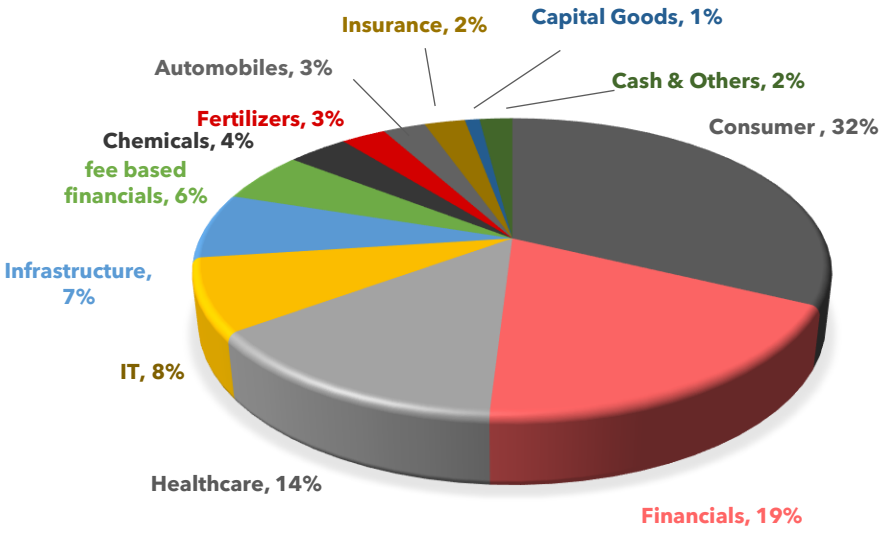
PORTFOLIO FACT SHEET: Q3 FY2025

UNIFI UMBRELLA AIF – BCAD FUND

Background

The Umbrella BCAD AIF seeks to invest in sectors witnessing structurally high growth rates driven by demographic-led consumption and a larger stream of disposable incomes. The fund continues to focus on large formal operators with competitive advantage and scale, consolidating their position across consumer durables, building materials, food & beverages, healthcare, hospitality, etc.

The sector-wise composition of the Unifi Umbrella BCAD AIF fund is as below:



Fund Details

Launch Date: 1st August 2022

Scheme Corpus: INR 5.6 bn

Firm AUM: INR 252.3 bn

Investment Manager: Unifi Capital Private Limited

Minimum Investment: INR 10 million

Custodian: Axis Bank Limited

Auditors: M/s. Walker Chandiok & Co LLP

Lawyer: IC Universal Legal

The following annexure present a brief on our top holdings:

Company	Brief background and Investment rational
Redington	Redington is a global distributor of Information, Communication, and Technology [ICT] products with a presence across 40 countries. It covers the entire gamut of IT products, smartphones, and offers services and solutions across Managed, Cloud, and Logistics. The company partners with 300+ brand associations and services 43,000+ channel partners. Redington reported revenues of Rs.26,716cr, up 14% YoY. The growth is led by the Indian business, which grew by 18%, while the UAE business grew by 24%. Gross margins improved sequentially to 5.3% vs 5.0%. In the first half, the company had created inventory provisions for the technology and PC segments due to the slowdown in Saudi Arabia, which was reversed in this quarter. The management team's effort in turning around Turkey operations and maintaining costs led to an improvement in EBITDA margin from 2.3% vs 2.2% YoY. Overall, PAT grew 18% YoY from Rs.340cr to Rs.400cr. From a capital allocation perspective, the company's return ratio is healthy at 16% RoE, and the company continues to pay out 40% of PAT as dividends, which results in a dividend yield of 3%. We like Redington, given that it is amongst the top 2 ICT distributors across the markets it operates in. The company's dominant positioning and financial muscle give it a significant competitive advantage in a business with high entry barriers. Redington has created a strong

	services business in 3rd party logistics and the high-margin cloud business. Redington's broad portfolio and relationships with vendors across segments allow for balanced growth and reduce vendor concentration. Redington has demonstrated robust risk management practices over cycles that help manage credit, inventory, and currency risks. A significant shift in consumer and enterprise behavior has led to a higher need for higher computing, which has led to shorter product life cycles and the acceptance of premiumization. This tailwind benefits Redington. Key risks include a higher interest rate regime environment, delayed margin recovery, and slowdowns/delays in the high-margin enterprise business.
Narayana Hrudayalaya	Narayana reported revenue growth of 13.5% YoY to Rs.1,367cr and a PAT growth of 2.4% YoY to Rs.193cr. The India business reported a 13% YoY revenue growth. Lower footfalls from Bangladesh have impacted the revenue growth as the revenue from international patients to India declined by 50% YoY to Rs.40cr. The company has been trying to fill these beds with domestic patients, and accordingly, the revenue from domestic patients to India reported a strong 19% YoY revenue growth. The new hospitals (Mumbai and 2 in NCR) continue to show improved traction as they reported a margin of 9% vs 4% in Q3FY24. The EBITDA margin in India's business has been stable at 16.5%. The Cayman business had a strong revenue growth of 15% YoY to USD 35mn in the quarter. The company has been opening the new hospital in phases, and all the departments will open by the end of February. 85% of the costs associated with the new facilities have already been reflected in P&L during Q2 and Q3. The Cayman margins improved to 43.4% vs 38.6% in the last quarter. The new facility is witnessing good traction given its location in the city center. The new facility will be used primarily for OP, Emergency, Neonatal, pediatric, and maternity services. All the other IP services will be provided at the existing facility. This will provide growth for Narayana for the next 2-3 years. The company is now undergoing capex in India, focusing on Bangalore and Kolkata, which are Narayana's core markets. Over the next few years, the company will add 1,400 beds with a capex of Rs. 3,000cr. The company did exceptionally well in FY22-FY24, and this year has been a year of consolidation with flat PAT; we expect strong earnings growth from FY26. Key Risks: Delay in Capex, Government interference in pricing.
Bank of Baroda	BoB reported a PAT of Rs 4,837cr vs. Rs 4,579cr (6% YoY) for Q3 FY 2025, while their loan book grew by 2.7% QoQ and 12.4% YoY. On a YTD basis (Apr-Dec'24), the loan book grew by ~8.0%. The loan growth was led by the Retail, Agri, and MSME segments, which grew by 4.8%, 4.5%, and 3.8%, respectively, on a sequential basis. Corporate loan grew by 0.4% QoQ / 8.3% YoY. The bank reiterated its loan growth guidance at 11-13% and deposit growth guidance at 9-11% for FY25. Margins declined by 16bps sequentially to 2.94%, which was led by moderation in yields. The management has revised its margin guidance from 3.15% to 3.05%-3.10%, with the intent of achieving the upper end of the guidance for FY25. The cost to assets has decreased marginally by 3 basis points sequentially to 1.79%. Gross NPA improved by ~7bps QoQ to 2.43%, while Net NPA improved by 1bps QoQ to ~59bps. Provision coverage was stable sequentially at ~76%. Gross slippages declined to 1.04% vs 1.2% in Q2FY25. Net slippages declined to 39bps vs 49bps in Q2FY25. Barring one quarter, the bank has reported net slippage of ~0-50bps for the past 10 quarters. Credit cost reverted to ~38bps vs 86bps in 2QFY25. Overall, there is no imminent stress within the bank, and the management has reiterated its guidance of ~1.2% gross slippages for FY25, expecting credit cost to be in the range of ~0.5-0.75% for FY25.

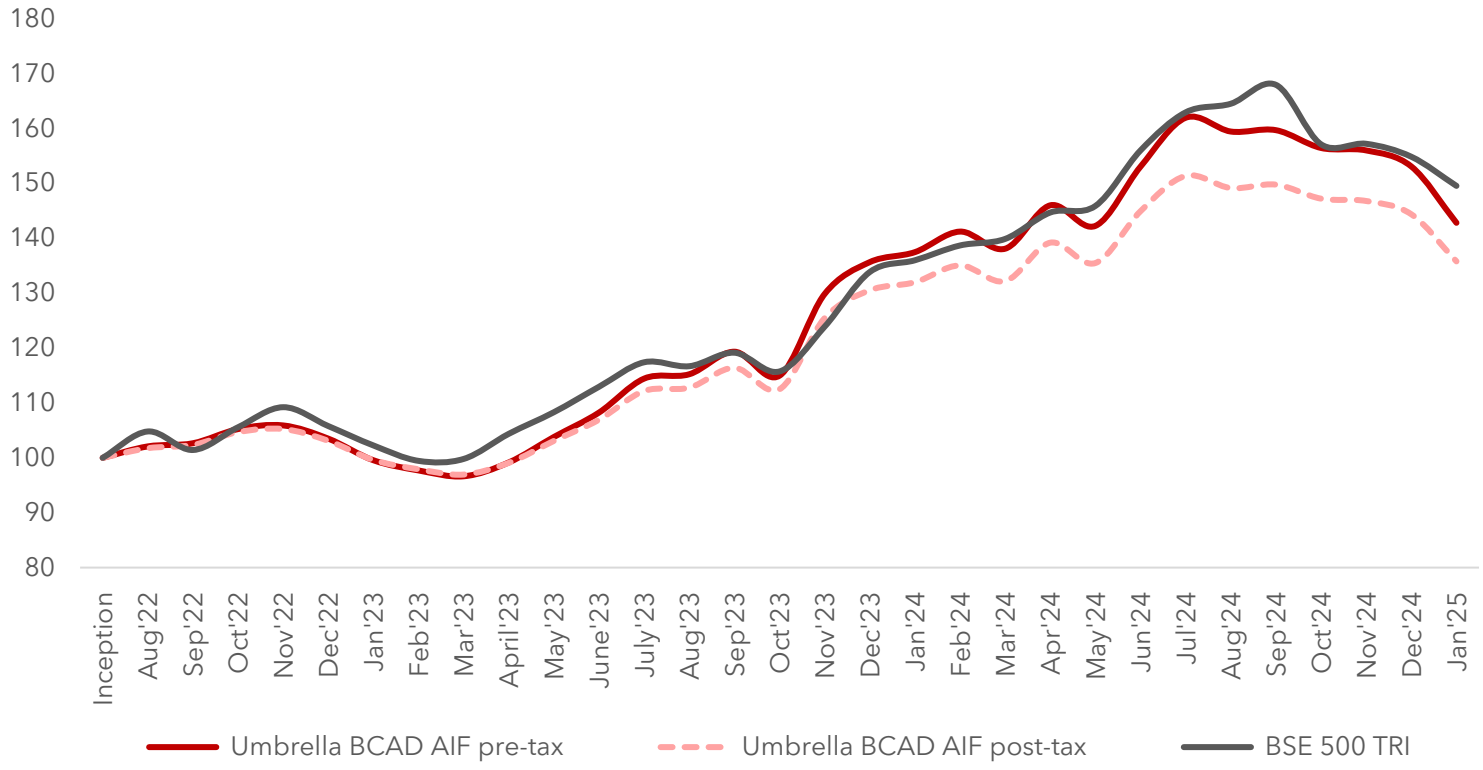
	We like the bank because of its ability to grow in line with systemic growth rates, low NPA risks, and attractive valuations. Key risks include lower-than-expected loan growth, deterioration of asset quality leading to higher-than-expected credit costs, and higher treasury losses.
ITC	ITC reported revenue growth of 9.3% YoY to Rs. 18,790cr. The tobacco business delivered volume growth of 5% YoY and revenue growth of 8% YoY. Tobacco leaf prices continue to witness steep inflation, impacting the tobacco margins, as a result of which EBIT growth has been 4.5% YoY. The company is mitigating raw material inflation through pricing actions and premiumisation mix. The new tobacco crop should aid in cooling off inflation in the next few quarters. The FMCG business has witnessed weakness due to a mix of pockets of demand weakness and stubborn input cost inflation. This segment reported 4% YoY revenue growth, with EBIT declining by 26% YoY. The company has started taking pricing actions to mitigate inflation. The agribusiness continues to recover with 11% YoY revenue growth and 17% YoY EBIT Growth. This segment continues to benefit from high tobacco leaf prices and value-added agri exports (coffee, spices, etc). The Paper Segment remains impacted due to low-priced Chinese and Indonesian supplies in the global market (including India), as this segment reported an EBIT decline of 20% YoY. Accordingly, the consolidated EBIT Growth has been 2% YoY to Rs. 5,496cr, and PBT has been flat. The reported PAT declined by 8% YoY to Rs. 4,810cr due to the low tax rate in last year's Q3. The key tobacco segment continues to do well due to a stable tax regime and the government curbing illegal cigarettes. The weakness in FMCG is expected to be short-term and will likely come back in a few quarters from here. Recovery in the agriculture and paper segments will further aid in earnings. Key risks: Government taxation on cigarettes, demand slowdown, and raw material inflation.
NCC	NCC's execution was soft in Q3 FY 2025, with revenue growth of 2% YoY to Rs.5,345cr. This impacted EBITDA Margins by 140bps, with EBIDTA declining 9% YoY and reported PAT declining 12% YoY to Rs. 206cr. Two significant factors impacted NCC's performance this year: [a] the central government going to elections and [b] State elections in Maharashtra, slowing down the implementation of planned capital expenditures, and impacting the entire capex value chain. However, order inflow has picked up in Q3 at Rs. 8,840cr vs Rs. 4,760cr in Q2 and Rs. 408cr in Q1. We expect full-scale capex actions by the Centre and Maharashtra to resume by H1 of FY26, and this will help the company deliver strong earnings growth over the next 2-3 years. Key risks: Slowdown in the order inflows and competition impacting margins.
360 One WAM	360 One, is among India's largest non-bank wealth and asset managers in India, managing Rs.5.79 trillion in assets under management (AUM), including custody assets. The company reported a 7% sequential increase in recurring revenues, reaching Rs.426cr, with recurring AUM growing by 2% to Rs.2.47 trillion. Recurring yields, excluding carry income, saw a slight sequential rise to 0.73% due to an improved product mix. Transaction revenue stood at Rs.179 crore, a 6% QoQ decrease. However, operating leverage resulted in a reduced cost-to-income ratio of 47.6%, contributing to a 13% sequential increase in PAT to Rs.275cr. To further expand its reach, 360 One announced the acquisition of B&K Securities and B&K FinServ. This strategic move aims to leverage B&K's high-quality mid and small-cap equity research, attracting ultra-high-net-worth individuals (UHNI) and high-net-worth individuals (HNI) and boosting broking revenue. Additionally, 360 One will gain a less cyclical institutional broking revenue stream from B&K. B&K Securities' investment banking team will cater to

	360 One's UHNI and promoter clients for IPOs, secondary offerings, and private placements. B&K FinServ will provide treasury advisory services to corporates. The acquisition, valued at Rs.1,884cr, will be settled with Rs.710cr in cash and the remainder in 360 One stock. Looking ahead, 360 One is targeting growth in the HNI segment and global markets, including inbound and outbound assets from non-resident Indians (NRIs). The company plans to tap into the global Indian and NRI population in key financial hubs like Singapore, Dubai, and London. While the HNI segment launch experienced a one-quarter delay, the global offering garnered Rs.700-800 crore in inflows during the third quarter. In response to increased growth capital requirements, the company has adjusted its dividend policy, reducing the payout ratio from 70-80% to 30-50% for FY25. 360 One remains a dominant player in the UHNI segment and is well-positioned to capitalize on expanding opportunities in the mid-market and global sectors. The HNI and UHNI cohorts are projected to experience faster wealth accumulation than other segments in the coming years. 360 One's robust business model, strong execution capabilities, and experienced leadership team position it favorably to capture this growth, driven by sector tailwinds and the shift from physical to digital assets. Key risks include potential slowdowns in net inflows and employee or client attrition.
Karur Vysya Bank	Karur Vysya Bank (KVB) reported a Profit After Tax (PAT) of Rs.496cr for Q3FY25, compared to Rs.474cr in Q2FY25. The loan book experienced a 3.4% QoQ growth and a 14.6% YoY growth. Year-to-date loan growth stood at 11.7% and 13.7% in 9MFY24. This growth was primarily driven by the Commercial, Retail, and Agri segments, which saw sequential growth of 4-6%, while the corporate loan book declined by 4% QoQ. The corporate loan book has been on a sequential decline for the past six quarters and now constitutes 15% of the loan book, compared to 22% in FY23. The slowdown in corporate loan growth is attributed to lower-than-expected growth in low-cost CASA deposits. The mix of Agri, Commercial, and Retail segments improved by approximately 80bpsQoQ to approximately 84.5%. The bank anticipates loan book growth exceeding system growth for FY25 and FY26. Net Interest Margins (NIM) declined by 8 bps sequentially to 4.03%, consistent with the guidance provided in Q2FY25, due to higher deposit costs. The bank has guided for a further 17 bps decline to 3.85% in Q4FY25, with 12 bps of that decline attributed to an expected repo rate cut. The cost-to-income ratio increased sequentially to 47.3% from 46.7% in Q2FY25. The bank intends to maintain this ratio within the 47-48% range. Asset quality continued to improve, with reductions in Gross Non-Performing Assets (GNPA), Net Non-Performing Assets (NNPA), and Special Mention Accounts (SMA) 1 & 2. GNPA declined by approximately 27 bps QoQ to 0.83%, and NNPA declined by 8 bps QoQ to 0.20%. The Provision Coverage Ratio (PCR) improved marginally to 76%. Key risks include lower-than-expected loan growth, deterioration in asset quality leading to higher-than-expected credit costs, and higher treasury losses.
PN Gadgil Jewellers	India's gold retail sector is poised for significant growth, driven by the increasing formalization of retail practices extending beyond traditional urban centers. This trend, coupled with rising disposable incomes and cultural affinity for gold, creates a fertile environment for the formalization of the sector. PN Gadgil reported 24% YoY growth in revenues, driven by a 5% volume growth and a 22% rise in gold prices. The company significantly expanded its retail footprint, opening three new stores in the first quarter and an additional nine in October, leading to a 33% increase in total store count since March. This expansion, coupled with an improved retail sales mix, propelled gross profit growth by 42% YoY. Consequently, PAT rose by 53%, Rs.56cr to Rs.86cr YoY.

	We maintain a positive outlook on PN Gadgil's future, underpinned by its strong market presence in the Western region and its efficient working capital management, which supports healthy return ratios. The company's strategic expansion plans, focusing on further growth in the West and selective penetration into Central India, indicate a strong potential for sustained and consistent earnings growth. Key risks: Volatility of gold prices and potential challenges in executing the planned store expansion timeline.
Oracle Financial Services Software	IT product firms often experience lumpy earnings due to the nature of their business. Large software deals, implementation projects, and licensing agreements can create significant revenue surges in certain quarters, followed by periods of relatively lower earnings. Therefore, it's crucial to evaluate these companies from an annual perspective, smoothing out the quarterly volatility to gain a clearer understanding of their long-term performance. With the ongoing digital transformation within the banking and financial sectors, OFSS is poised to capitalize on the increasing demand for it's specialized software and services. Consequently, the medium to long-term outlook for OFSS appears promising, driven by sustained growth in the financial technology space. Oracle's revenue de-grew by 6% YoY to Rs.1,715cr in Q3 2025 vs Rs.1,824cr, YoY with EBITDA and PAT dropping by 18% and 27%. The slowdown was mainly due to the delay in converting deals into revenue. The deal flow remained strong in Q3 FY25, led by large deals in India, Asia Pacific, and the EU. This provides strong demand visibility for the company, with ongoing customer interest in transitioning to Oracle's cloud services. The company has maintained high levels of capital efficiency, reflected in 25%+ RoE on the back of an almost 100% dividend payout to shareholders. Key Risks: Slowdown in IT spending by enterprise clients.
RBL Bank	RBL reported a PAT of Rs.33cr, primarily due to aggressive provisioning on its microfinance (MFI) and credit card portfolios. The loan book grew by 2.9% QoQ and 13.1% YoY, with a YTD growth of 7.7%. However, MFI, personal loans (PL), and credit card segments experienced sequential declines of 6%, 5%, and 1%, respectively. Management anticipates continued sequential declines in these segments during Q4, while focusing on growth in housing, rural vehicle finance, and commercial banking. They have also indicated no plans for capital raising in the next 1-1.5 years. Credit growth is projected at 12-13% for FY25 and FY26, driven by slower growth in unsecured lending. Net interest margins (NIM) decreased by 14 bps QoQ to 4.9%, impacted by interest reversals of roughly Rs.134 cr. Management expects a further marginal decline in Q4 due to ongoing interest reversals, with a projected improvement thereafter. The cost-to-income ratio improved to approximately 62.5% from 64%, primarily due to a one-time gain from a stake sale in DAM Capital. Excluding this gain, the ratio stood at 66%. Management maintains its guidance of a 2-3% annual improvement in the cost ratio, driven by internal sourcing efficiencies, operating leverage in new business lines, and margin improvements. Gross slippages increased to 6% (approximately Rs.1,300 cr) in Q3FY25 from 4.7% (approximately Rs.1,000 cr) in Q2FY25, primarily from credit cards and MFI. Net slippages rose to 4.7% (approximately Rs.1,050 cr) from 3.7% (approximately Rs.800 cr). Credit cards and MFI accounted for approximately 85% of gross slippages and 100% of net slippages over the past two quarters. Total provisioning reached approximately Rs.1,200 cr, exceeding net slippages of approximately Rs.1,050 cr in Q3FY25, resulting in a credit cost of 5.3% compared to 2.8% in Q2FY25. RBL benefited from one-off gains, including Rs.144 cr from the DAM Capital stake sale and a Rs.150 cr tax write-back, which were used for aggressive provisioning against credit card and MFI slippages. MFI collection efficiency is expected to improve to over 99% by March 2025,

	although slippages will remain elevated in Q4 due to lower Q3 collection efficiency. Credit card slippages are projected to normalize by Q1FY26. Given the aggressive provisioning and anticipated normalization of slippages, RBL is expected to return to normalized profitability from Q1FY26 onwards. Key risks include lower-than-expected loan growth, deterioration in asset quality leading to higher credit costs, and potential treasury losses.
CMS Info Systems	India's cash logistics sector is poised for robust growth, driven by several key factors. Despite the rise of digital payments, cash remains a vital component of the Indian economy, particularly in rural and semi-urban areas. The increasing penetration of ATMs, the expansion of retail networks, and the continued reliance on cash for everyday transactions contribute to a sustained demand for efficient and secure cash management services. Furthermore, government initiatives promoting financial inclusion and the formalization of the economy will further strengthen the need for reliable cash logistics infrastructure. CMS Infosystems reported stable YoY revenues of Rs.581cr in Q3 FY25. While the cash management segment experienced an 8% YoY growth, the managed services segment saw a 10% YoY decline. This slowdown was primarily attributed to delayed ATM installations by banks, stemming from challenges faced by a competitor and a general moderation in consumer spending. Despite this, PAT increased by 7% YoY to Rs.93 crore. Looking ahead, the outlook is optimistic. The execution cycle is regaining momentum, and the company's Requests for Proposals (RFP) pipeline indicates strong potential for future double-digit growth. As the managed services segment, which comprises non-cash business, expands its contribution to overall revenue, CMS Infosystems is positioned for sustainable medium-term earnings growth. Key risks include a potential decrease in bank note currency circulation or a perceived decline in the cash economy..
Alivus Life Sciences	Alivus Life (previously Glenmark Life) reported revenue growth of 12% YoY in Q3 2025 to Rs. 642cr, with EBITDA and PAT growing by 10% and 16% YoY to Rs. 190cr and 137cr, respectively. Alivus Life Sciences reported a good quarter after a series of weak quarters due to various factors, such as the Ankleshwar plant shutdown, weak offtake from Glenmark Pharma, geopolitical challenges, etc. The company had received a notice from Gujarat Pollution Control Board. The issue was water discharge outside the company's premise with regards to the purity of water levels post the heavy rains in Ankleshwar. The issue was resolved in 3 weeks. While the company was able to recover some portion of the Ankleshwar revenues in Q3 FY25, some sales will also recover in Q4 FY25. The management is confident of strong growth in Q4 and FY26 led by: 1) a part of the production has already been recovered and revenue will be recognized in Q4, 2) Two CDMO projects will contribute in H2 2025 [one will commence in Q4 2025 and other launches in Q1 2026], 3) The company has launched 2 new meaningful products in Q2 [one in USA and other in Russia]. Gross margins were strong at 55%+ and Opex/Employee cost was steady. Going forward, the demand and order book is good, and the business is likely to grow by high single digits in FY25. With the divestment of the majority stake to Nirma Limited, the company will enter a new phase of growth. Under the new promoters, the company intends to significantly step up its investments while also exploring the incorporation of new chemistry platforms, which will increase growth opportunities in the medium term. GLS' focus remains on building a sizeable portfolio of low-to-mid-volume high-value APIs. Regarding its R&D efforts, the company endeavours to primarily focus on APIs, which can be commercialized in the next 4-5 years. The company intends to incur ~250-300cr capex annually for the next three years. At Solapur, The Company has received Environmental Clearance for installing 1,000MT capacity for the planned greenfield site at Chincholi Industrial Area. Engineering work has started for the construction of 200KL in phase 1, the total capacity of ~600KL will be operational by FY27. Key risks include a Low extent of backward integration, with high KSM sourcing from top suppliers, Regulatory risks and Customer Concentration towards Glenmark Pharma.

Investment Strategy NAV [as of 31st Jan 2025]



Key Portfolio Metrics

It is important to note that each investment in the fund has been made on its own merit and the portfolio characteristics are merely a by-product of the process. In sync with Unifi's philosophy, the aggregate portfolio has low leverage, demonstrates potential for strong earnings growth, and has reasonable valuations.

Valuation Parameters* (As on 24th Feb 2025)	FY2025	FY2026E
P/E Ratio	24.1x	20.0x
Earnings Growth	9.7%	22.4%
Debt Equity Ratio	0.1	0.1
ROE %	17.8%	18.3%
PE/ Growth Ratio	1.4	

**Adjusted for one-off to make figures representative.*

We are continually monitoring the environment for any opportunities that have potential to materially improve the portfolio composition. We will be writing to you again post the 4th quarter results.

In closing, we encourage you to write to us, or your relationship manager, for a detailed review of the portfolio and understanding of our proposition in greater granularity.

Annexures:

Financial Details of Top Portfolio Companies

	Market Cap (Rs. cr)	PBT (Rs.cr)		YoY	PAT (Rs. Cr)		P/E	RoE	Portfolio Weight (%)
Company	24th Feb 2025	Q3 FY24	Q3 FY25		FY 24	FY 25e	FY 25e	FY 25e	24th Feb 2025
Redington	19,494	434	513	18%	1,217	1,271	15.3	16%	9.2%
Narayana Hrudayalaya	29,777	209	219	5%	789	796	37.4	25%	8.7%
BOB	105,746	6,349	6,582	4%	17,788	19,311	5.5	16%	8.1%
ITC	506,072	6,635	6,740	2%	20,752	21,493	23.5	30%	6.8%
NCC	11,355	325	270	-17%	785	860	13.2	12%	4.4%
360 One WAM	40,461	235	359	53%	802	1,013	39.9	22%	4.1%
KVB	16,911	526	668	27%	1,605	1,895	8.9	18%	4.1%
PN Gadgil	7,555	77	114	48%	154	192	39.3	18%	3.8%
OFSS	71,193	934	770	-18%	2,219	2,339	30.4	31%	3.3%
RBL Bank	9,582	307	-192	-163%	1,167	713	13.4	6%	3.1%
CMS Info	7,214	117	125	7%	340	403	17.9	21%	3.0%
Alivus Life	11,609	161	185	15%	471	479	24.2	19%	2.8%
Medanta	32,655	172	189	10%	478	518	63.0	16%	2.8%
Coromandel Int	50,675	306	683	123%	1,641	1,704	29.7	17%	2.6%
M&M	333,519	3,912	5,092	30%	9,154	10,403	32.1	18%	2.5%
HUL	530,427	3,445	3,982	16%	10,396	10,586	50.1	21%	2.4%
Star Health	21,637	388	287	-26%	845	805	26.9	12%	2.4%
CG Consumer	21,271	112	151	35%	467	597	35.6	19%	2.2%
Fedfina	3,429	88	25	-72%	245	227	15.1	10%	2.2%
Thomas Cook	6,032	107	71	-34%	272	243	24.8	11%	2.1%
RP Tech	1,836	34	43	26%	144	218	8.4	13%	2.1%
Sharda Crop	4,837	12	46	283%	32	269	18.0	12%	1.9%
Aditya Birla AMC	18,483	264	300	14%	780	924	20.0	28%	1.9%
Bayer Crop	21,175	124	34	-73%	740	695	30.5	22%	1.8%
SBI	633,754	12,548	22,640	80%	61,077	69,862	9.1	19%	1.5%
Jindal Saw	15,381	700	645	-8%	1,593	1,805	8.5	19%	1.5%
Stylam Ind	2,759	43	42	-2%	128	126	21.9	21%	1.4%
Cyient	14,689	200	174	-13%	735	644	22.8	15%	1.3%
SW Solar	6,110	-61	41	-167%	-211	120	50.9	11%	1.2%
Ajax Eng	6,800	-	-	-	225	226	30.1	26%	0.9%
Kewal Kiran	3,015	44	36	-18%	154	144	20.9	20%	0.9%
Senco Gold	4,965	148	45	-70%	181	114	43.6	10%	0.8%
Eclerx	14,290	187	184	-2%	514	547	26.1	22%	0.2%

CLASSIFICATION OF MARKET CAP

Segment	Basis	%
Large Cap	> Rs. 1,00,000cr	25.1%
Mid Cap	> Rs. 33200cr < Rs. 1,00,000cr	9.1%
Small Cap	< Rs. 33200cr	63.8%
Cash		2.0%
Total		**100%**

LIQUIDITY ANALYSIS

Segment	% of portfolio
1 day	47.3%
Between 1 & 3 days	35.6%
Between 3 & 7 days	13.9%
Greater than 7 days	1.2%
Total	**98.0%**

CRISIL CAT III AIF BENCHMARKS DATA [as of 31st Mar 2024]

Index	1 Year (%)
BCAD Fund (Scheme of Unifi Umbrella AIF)	36.42%
CRISIL AIF Index – Long Only Equity Funds (open ended) (INR)	22.99%

Values as of March 31, 2024
Schemes that have completed at least one year since their first close as on March 31, 2024, have been considered for the benchmark. In all, 60 schemes have been considered for the above analysis.
Returns refer to post-expense, pre-carry, pre-tax values. Returns for more than one year are annualised.

Risk Management

While the environment is buoyant for India in the longer term, in the shorter to medium term, the aftereffects of unforeseen economic linkages from a recessionary West may be a risk. While India remains a largely domestic consumption-oriented economy, a rapid worsening of the economies in the West may affect their balance of trade with the World [including India] in the immediate to medium term. India's Current Account Deficit and foreign exchange reserves may be under pressure if energy prices remain elevated and rise. The recent softening of energy and commodity prices will assist India's macroeconomic case, but there remains the prospect of second or third-order impact from global macroeconomic and geo-political shocks.

Risk	Level	Mitigants
Concentration Risk	Fund	At the portfolio level, such risks are minimized by limiting the aggregate exposure of the portfolio to such investments to less than 10% of the value at the time of investment.
Foreign Exchange Risk	Fund	Fund has invested in only Indian Listed companies and hence the fund's investments do not face any foreign exchange risk at the Fund level.
Leverage Risk	Investee Company/Fund	Fund has not taken any leverage at the Fund level. Except for financial companies, most of the investee companies in the strategies carry nil to moderate debt on their balance sheets with a track record of having managed leverage well in the past. Their leverage is monitored regularly.
Realization Risk	Investee Company/Fund	High Impact cost, due to thin trading at the time of buying or selling is endemic to small & mid-caps. We plan our investment decisions, the size of the investment and trading strategies to minimize the realization risk.
Strategy Risk	Investee Company	Investments are evaluated from a bottom-up and top-down perspective. The fund investments align with emerging segments of the economy and companies with characteristics that make them the dominant participants in their industry. The investments are assessed through a detailed financial model that captures historical performance and forward estimates based on publicly disclosed documents. The investment team rigorously undertakes quarterly diligence for any change in the investment thesis.
Reputation Risk	Investee Company	Company selection starts with rigorous fundamental analysis and a historical performance review supported by a detailed financial model constructed internally. We have an internally designed governance framework vetted over many years. This framework helps us evaluate companies that meet our internal guidelines. We evaluate the investee companies both at an absolute and relative level. Periodic maintenance diligence of management/ financials is done for Investee companies.
Extra Financial Risk	Investee Company/Fund	We avoid investing in companies with a known history of corporate governance issues. If such an issue arises in an existing investment, we stop additional purchases and start optimally exiting the investment. Our governance framework helps us in identifying any lapses in corporate governance. We actively monitor all publicly disclosed documents regarding ESG [Environmental, social, and corporate governance]. Any reported misconduct is evaluated by the investment committee for further action.
Geopolitical risks	Investee Company	Geopolitical tensions globally can disrupt the supply chain in the region. This might have a non-linear impact on business.

Raw material inflation	Investee Company	India continues to depend on the supply of feedstock whose pricing is global in nature. Key categories would be crude, metals, minerals, and natural commodities. Sharp movements in their underlying prices will have a short-term financial impact on the companies. The situation in China [political] has the potential to disrupt the supply chain of a few of our investee companies.
Key Man Risk	Investee Company	Small and mid-caps are frequently managed by a key promoter/person on whom the business is completely reliant and without whom the business would be materially inferior. We generally avoid such names and in cases where we make any exceptions, the aggregate exposure of the portfolio to such investments is limited to less than 10% by value.